



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#135571

PAGE 1 OF 4

DATE: 06/01/2021

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE FINANCIAL AND SYSTEM CONTROLS OVER COUNTY CLERK, VITAL RECORDS**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the Financial and System Controls Over County Clerk, Vital Records.

BACKGROUND:

In accordance with Local Government Code, the Auditor's Office initiated a review to determine whether controls were adequate to reasonably ensure that Vital Records fees were accurately assessed, collected, recorded, and deposited during the five-month period ending March 31, 2021.

FISCAL IMPACT:

There is no direct fiscal impact associated with this action.

SUBMITTED BY: Auditor

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY

TARRANT COUNTY ADMINISTRATION BUILDING - ROOM 506
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KIM BUCHANAN, CPA
FIRST ASSISTANT COUNTY AUDITOR
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June 1, 2021

The Honorable Mary Louise Nicholson, County Clerk
The Honorable District Judges
The Honorable Commissioners Court
Tarrant County, Texas

RE: Auditor's Report – Financial and System Controls Over County Clerk, Vital Records

We initiated a review to determine whether controls were adequate to reasonably ensure that Vital Records fees were accurately assessed, collected recorded, and deposited during the five-month period ending March 31, 2021. A new comprehensive record management system went live on November 1, 2020. This system replaced the Legacy system that was used for Vital Records, Passport, Beer and Wine, and Official Public Records. During the period under review, all sections recorded revenues totaling approximately \$8.3 million. Our review was limited in scope due to the lack of various system-generated reports. Therefore, a significant risk exists that errors or fraud may not be detected. Specifically, we observed:

- 1) Reports either do not exist or are considered by staff as unreliable. Detailed system-generated reports, including reports showing voids and adjustments made by clerks, were not available. Additionally, we could not determine whether system roles and permissions provided adequate segregation of duties to prevent clerks from voiding or adjusting their own receipts.
- 2) According to County Clerk and Information Technology Department (ITD) staff, the software hosted on the Tarrant County network is unstable. Routinely, the performance of the server hosting the vendor's software would timeout leading to work stoppages and an increased risk of compromised data integrity.

The County Clerk requested that the Auditor's Office allow time to work with the vendor and ITD to correct the issues surrounding reports and system performance. System modifications and changes should be sufficiently tested to ensure that data integrity is maintained with minimal work stoppage. Furthermore, the system features outlined in the contract should be implemented, such as user roles reports, various financial reports, etc. In the interim, management should ensure that adequate mitigating controls and oversight exist to detect and prevent errors, and potentially fraud. We will follow up on these issues at a later date.

Sincerely,

[REDACTED]
Renee Tidwell, CPA
County Auditor

Distribution: Clint Ludwig, Chief Deputy
Christopher Nchopa-Ayafor, Chief Information Officer

Attachment: Management's response



Tarrant County 1895 Courthouse

Mary Louise Nicholson, County Clerk
Recording life's events since 2011

100 W. Weatherford, Rm.130
Fort Worth Texas 76196-0401

Date: May 18, 2021

From: Mary Louise Nicholson, Tarrant County Clerk

To: Renee Tidwell, Tarrant County Auditor

Cc: The Honorable District Judges
The Honorable Commissioners Court, Tarrant County, Texas

Re: Response to Auditor's Report – Financial and System Controls Over County Clerk Vital Records

I would like to thank the Auditor's Office for their detailed approach and professionalism in this audit. I recognize the importance of a partnership with the Auditor's Office to ensure we properly account for and safeguard the public's money and records, especially after replacing our entire Vital Records Management System. The findings in this report were communicated to the Auditors when we suggested they postpone initiating the audit until the system was stabilized and fine-tuned.

- 1) **“Reports either do not exist or are considered by staff as unreliable. Detailed system-generated reports, including reports showing voids and adjustments made by clerks, were not available.**

Many of the go-live reports were reliable but some needed additional configuration or development. I agree with the finding that *more* reports should be made available. These reports are part of the contract with the vendor. However, our primary focus after go-live was to stabilize a system that was intermittently performance challenged, resulting in slow or no service to customers. Now that these issues have been largely eliminated, I have emphatically communicated with the vendor, as well as ITD, the importance of expediting the availability of all reports. Both the vendor and Tarrant County ITD are currently in the final stages of producing the contractually required reports. It is important to note, the reconciliation of monies collected following go-live has been challenging and time consuming, but ultimately accurate.

- 1) **Additionally, we could not determine whether system roles and permissions provided adequate segregation of duties to prevent clerks from voiding or adjusting their own receipts.”**



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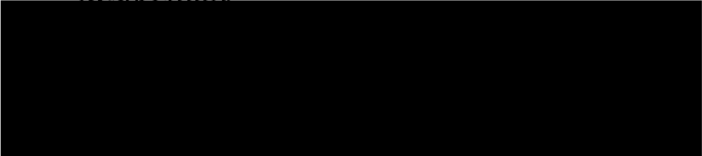
At the time of the audit, it was possible to determine the permissions and roles of users. However, it was exceptionally complex, and we mutually agreed too time consuming for the audit. We have since created a report for the Auditor that we hope satisfies their concern.

- 2) **“According to County Clerk and Information Technology Department (ITD) staff, the software hosted on the Tarrant County network is unstable. Routinely, the performance of the server hosting the vendor’s software would timeout leading to work stoppages and an increased risk of comprised data integrity.”**

As is the case with any new records management system, or large systems in general, there will be challenges. The major software challenges immediately after go-live included degraded performance or total system unavailability which have largely been resolved. The application resides on Tarrant County servers and current issues are identified as Tarrant network related, not software. At my explicit direction, Tarrant ITD and the vendor will strengthen their partnership and commitment to eliminating all remaining issues, to include reporting. In short, I expect total cooperation of ITD and the vendor in pursuit of the state-of-the-art system we believe Tarrant County purchased. It has been reported to me all outstanding tickets will be resolved in short order.

I look forward to a future validation of our new system by the County Auditor’s office soon, which should alleviate any concerns regarding reports, roles and permissions, and the reliability of such.

Respectfully,



Mary Louise Nicholson, Tarrant County Clerk